

FISCAL IMPACT STATEMENT ON BILL NO. **H.3056**

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TO:	The Honorable Ronald P. Townsend, Chairman, House Education and Public Works Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Harry Bell		
DATE:	January 14, 2005	SBD:	2005005

AUTHOR:	Representative Joe Brown	PRIMARY CODE CITE:	59-67-95
SUBJECT:	Safety Belts for School Buses		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings expected)

BILL SUMMARY:

House Bill 3056 would require every school bus purchased on or after July 1, 2005, to be equipped with safety belts for use by each passenger. The State Department of Education would be responsible for promulgating regulations concerning safety belt type and specifications.

EXPLANATION OF IMPACT:

The State Department of Education (SDE) states the initial cost to equip a school bus with lap seat belts is \$1,800. In addition, annual maintenance and replacement costs for all buses equipped with lap belts after July 1, 2005 are estimated at 10% of original installation cost, or \$180. The initial cost to equip each bus with lap/shoulder belts is estimated at \$8,000. In addition, SDE indicates lap/shoulder belts reduce the seating capacity of a school bus by 17% (one seating position for every six seats). Therefore, the use of lap/shoulder belts could result in the need to purchase additional buses (and employ additional drivers) in order to continue transporting the same number of students.

These additional costs could be absorbed within SDE's bus purchasing appropriations or the General Assembly could appropriate additional funds to cover this increased cost. If existing funds are used to cover these additional costs fewer new buses could be purchased each year. SDE loses the ability to purchase one additional school bus for every thirty-one buses equipped with lap belts. With lap/shoulder belts SDE loses the capacity to purchase one additional bus for every seven buses equipped with this system.

LOCAL GOVERNMENT IMPACT:

None.

SPECIAL NOTES:

The State's school bus fleet is comprised of over 5,000 school buses. Each new school bus costs approximately \$54,300 excluding additional costs for seat belts. FY 2004-05 recurring bus purchase appropriations are \$8,261,888. However, these funds may also be used to purchase fuel, parts and bus related items in accordance with proviso 1.40 of the FY 2004-05 appropriation act.

Approved by:



Don Addy
Assistant Director, Office of State Budget